

"As of February 8th, 1868, the government of Canada entered into a contract for security printing with the British American Bank Note Company (BABN). An original copy of this manuscript contract is on file at the National Archives of Canada in Ottawa, Ontario. In this document, the scope of the agreement is given as follows: BABN

will engrave all the necessary plates and dies, and print therefrom and furnish as when the same shall from time to time be required, all blanks for notes, bills, bonds, debentures and all note, bill and postage stamps, and all other engraving, excepting type printing which may be required by the Government of Canada ...

Note that 'revenue' stamps, other than those for bills of exchange and promissory notes, were not explicitly stated in the main text of the agreement and likewise were not included in the 'Schedule of Prices' annexed to the document. In the original copy of the 1868 contract, the word '**revenue**' appears only in the left margin beside the line '**debentures and all note, bill and postage stamps ...**', where a small insertion arrow (^) appears immediately in front of the word '**note**'.

In the Exchequer Court case of *Crown versus BABN*, the bank-note company argued that this was a later addition and not part of the contract as was signed by them. The Court agreed and deleted the cost of the lithographed stamps delivered during the lifetime of the 1868 contract from the amounts claimed by the government.

The counsel for the government reluctantly accepted the court's ruling. He stated, '**I acquiesce in the view that the contract does not cover Revenue stamps**'. Shortly thereafter, he made a more definite admission in a private letter to the Deputy Minister of Justice as follows:

The principal contentions of the company in reply to the case presented on behalf of the Crown were: First - that there was no contract for engraving [tobacco revenue stamps] under contract No. 1 and that the stamps were lithographed by express arrangement with the then Commissioner of Inland Revenue, and I think this contention is probably correct.

Note that the terms 'engraved' and 'engraving' were used in these documents to mean 'steel-plate' (intaglio) production. During the lifetime of the BABN contracts (1868-1897), printing plates, whether of steel or in the form of a lithographing stone, were not 'engraved' in the proper, technical sense of the word. Dies were engraved for the tobacco stamps, plates were not. Lithographed tobacco stamps were usually printed from a stone impression made by transfers from a steel die or plate.

In the case of *Crown versus BABN*, George B. Burland testified that verbal arrangements had been made in 1868 for production of the tobacco revenue stamps not covered by the contract. According to Burland, officials of the Revenue Department had agreed to '**the best work that could be produced from steel lithographically printed**'. Amongst other supporting documents, the defence presented letters date from 1870 from the Commissioner of Inland Revenue in which lithographed tobacco revenue stamps were acknowledged as the accepted norm up to that time.

These lithographed tobacco stamps were purchased by BABN from the then current incarnation of Burland's lithographing company and sold to the government at an advance over the purchase price. Evidence presented in the *Crown versus BABN* case indicates that initially the majority of the lithographed stamps were purchased in a completely finished form. By 1880, the perforating and numbering was done primarily by BABN.

The first issue of BABN manufactured tobacco stamps comprised two square stamps in red for warehousing 'caddies', and 'boxes' of manufactured tobacco. ... Corresponding consumption stamps were produced in black with the fourth line of the central inscription being '*Semi-Monthly Return No.*' in place of the '*Warehouse Entry No.*' as found on the warehouse stamps. As was the case with the previous typographed stamps, the new lithographed BABN stamps did not have serial numbers. However, unlike the previous issues, the BABN stamps were supplied without gum and it was now the responsibility of the tobacco manufacturers to supply a suitable adhesive."

"With regard to the dating scheme used on excise tobacco stamps in the time period of 1864-1883, excise warehouse regulations of 1865 and 1868 provided as follows:

The date on the packages will be sufficiently indicated by the number of the half-month and the last two numerals of the year in which the entry was made:- thus, goods entered on 20th January, 1865, may be dated 14 - 65; showing that the entry was made in the fourteenth half-month of the current fiscal year.

It may be inferred from this provision in the regulations that the 'year' portion of the date was to be the end of the fiscal year. The copy of **RM-18** illustrated in the Brandom catalogue, dated '4 / 68', cannot come from late August of 1867 - the fourth half-month of the fiscal year beginning July 1st, 1867, and ending June 30th, 1868. The date can only represent August of 1868, despite the regulation quoted above, and the '68' must be the calendar year of the entry.

Another 'impossible' date is provided by a copy of **RG-52** manuscript '5 - 70' which in an end of fiscal year scheme would represent September of 1869. However, the seventh line of the central inscription reads as '**M** lbs.' with ' $1/10 = 1 \frac{3}{16}$ ' in the space provided. This mode of assessing the excise duty on the weight of cigars was introduced on April 8th, 1870, replacing the graduated duty per thousand as based on the value of the cigars. In a circular of April 15th, 1870, Revenue Collectors were instructed as follows:

You will adapt the Cigar labels now in our possession to the change in the mode of levying duty, by drawing your pen through the words 'val. per' leaving the 'M' to signify thousands, and writing thereafter the fractional part of the thousand Cigars contained in the box, and the weight thereof on which the duty is charged thus: --- 'M $1/10 = 1 \frac{3}{16}$ lbs.' signifying that the package contains 100 cigars weighing one and a quarter pounds.

Thus, the '5 - 70' on the stamp can only represent September of 1870.

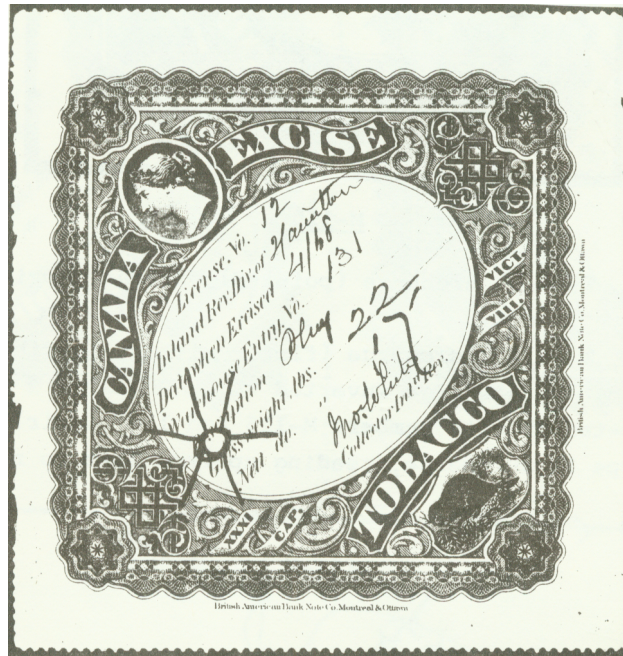
In addition to the two example previously noted, data compiled on the red 'caddy' stamp - used at Montreal produces instances where serial numbers rendered out of chronological sequence by use of the fiscal year fall into sequence when the year is taken as the calendar year.

Altogether, one has three examples, representing two Revenue Divisions and three Collectors, where the end of the *fiscal* year dating system does not fit the available dated stamps. Thus, in spite of the inference made from the regulations, it appears that the *calendar* year was used to provide the year portion of the dates applied to the tobacco stamps in this period.

Serially numbered versions of the BABN stamps did not appear until around April of 1869, at the earliest. The initial supply of these stamps was delivered by BABN to the Revenue Department in late March of that year. The control numbered items are known to collectors with the serial numbers placed *horizontally* on or under the Queen's head, and with the serial numbers placed *vertically* along the left-side of the central panel."

"The new BABN stamps were formally issued on September 11th, 1868. The accompanying circular provided detailed instructions regarding usage, requisitioning, inventory-keeping, cancellation and the need for a suitable adhesive. The distinction between a 'caddy' and a 'box' of tobacco products was not explained in the circular, perhaps because it would have been automatically understood by excise officers. A Revenue Department circular from July of 1881 placed a 25-pound weight limit for a package on which a caddy stamp was affixed. Data compiled regarding used 'caddy' stamps conforms to a 25-pound limit with one 1877 exception used at 35-pounds. 'Box' stamps were used on very large packages, ranging up to over one hundred pounds.

While September of 1868 marked the official introduction of the new BABN production, quantities of selected stamps appear to have been released just prior to that date. One such stamp, a **red** 'box' stamp, ... is dated 4 / 68 which in view of available production information ... represents the second half of August 1868." [this stamp is illustrated in the Bandom catalogue as **RM-18**.



RM-18 - BOXES, **red**, without controls, *lithographed* on *diagonally watermarked horizontally* laid paper, used at *Hamilton* by Licensee # 12, with W. H. Entry No. 131, dated 4 / 68 for August 1868, for 17 pounds of *Plug*, signed by *Thos. White*. - from the Bandom catalogue.
the catalogue is printed in black ink, and the computer will not print the above in its actual red ink

Thinking is that the early copies were *lithographed* and supplied to the Department in control-free format by "G. B. Burland & Sons". When BABN was formed in 1867 "G. B. Burland" became the *general manager* of BABN, which began supplying control numbered stamps to the Department at a percentage over cost. Chris Ryan reports that for a considerable period of time BABN was the distributing agent for the "'Inland Revenue Department' and supplied stamps to the 'Area Collectors'".

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